



**BTA**  
BUSINESS TRANSFORMATION AGENCY

# Standard Financial Information Structure Overview

, Business Transformation Agency



# Current Financial Visibility Challenge

- Services have unique fiscal codes and processes

## AIR FORCE OPERATIONS AND MAINTENANCE

DEPT	FY	APPR.SYM	FC	FY	OAC	OBAN	RC/CC	BA	FEIC	ADSN	ESP	PE	FCC
57	6	3400	30	6	47	5A	110704	04	582.AA	503000	AB	72806F	

## ARMY OPERATIONS AND MAINTENANCE

DEPT	FY	BSN	OA	ASN	AMSCO	EOR	MDEP	FCA	SDN	APC	UIC	FSN
21	6	2020	57	3106	325796	BD 26FB	QSUP	CA200	GRE12340109003	AB22	WORNAA	S34030

## NAVY/MARINE CORPS - GENERAL

DEPT	FY	APPN	SUBHEAD	OC	BCN	SUBALLOT	AAA	TTC	PAA	CC
17	7	1105	0000	026	63400	3	063340	1D	000151	00560852000

- Lack of financial data standards across the Services impedes the ability to analyze performance on an enterprise-wide basis
- There is no corporate general ledger with drill down capability to source systems
- There is no corporate repository for the aggregation of enterprise-wide financial information (result: continuous manual data calls)



# SFIS Phase I - Definition

**SFIS is the DoD's common business language that enables budgeting, performance based management, and the generation of financial statements.**

**The goal of Phase I of the SFIS effort was to define SFIS data elements needed to support generation of the DoD financial statements.**

**The goal of Phase II and subsequent SFIS effort is to set forth a common language that enables establishment of an Enterprise-wide Performance-Cost Based Management framework.**

**[http://www.defenselink.mil/bmmp/sfis\\_resources.html](http://www.defenselink.mil/bmmp/sfis_resources.html)**



# Scope of SFIS

## Scope of SFIS

- **SFIS is not the old Long Line of Accounting re-invented.**
- **SFIS represents the minimum set of elements needed to support the dimensions of operational, financial and executive management at DOD.**
- **Not all systems need to contain all 62 phase I data elements.**
- **This is not a new requirement.**

## SFIS Phase 1 Objectives

- **Complete the definition process for SFIS Phase I.**
- **Prepare a strategy for the initial deployment of SFIS that is specific to the core target environments.**
- **Identify the process by which Phase I data elements will be further refined going forward, as well as how future elements will be introduced into the SFIS library.**



# SFIS Deployment Approaches

The three SFIS deployment approaches are:

- Legacy Accounting Systems
  - **Encompasses existing Component financial accounting systems**
  - **Utilizes a centralized cross-walk capability to translate detailed accounting transaction data to SFIS compliant data**
- Business Feeder Systems
  - **Encompasses systems which create business transactions within DoD**
    - **Includes systems that create transactions such as travel orders, contracts, contract modifications, and certain types of invoices**
  - **Individual programs currently determining plans to achieve SFIS compliance**
- Target Accounting Systems
  - **Encompasses emerging environments, including ERP systems**
  - **SFIS compliance to be embedded directly in these target systems**



## Authoritative Guidance for Arriving at SFIS Terms

National Defense Authorization Act (NDAA)

- **Requires an information infrastructure which, at a minimum, integrates budget, accounting, program information, systems and performance**

Office of Management and Budget (OMB) Circular A-127

- **Requires agencies' financial management systems to reflect an agency-wide financial information classification structure that is consistent with the U.S. Government Standard General Ledger (USSGL)**

Government Performance and Results Act (GPRA)

- **Requires annual performance reporting that links performance planned to performance achieved**

Financial Accounting and Standards Board (FASAB)

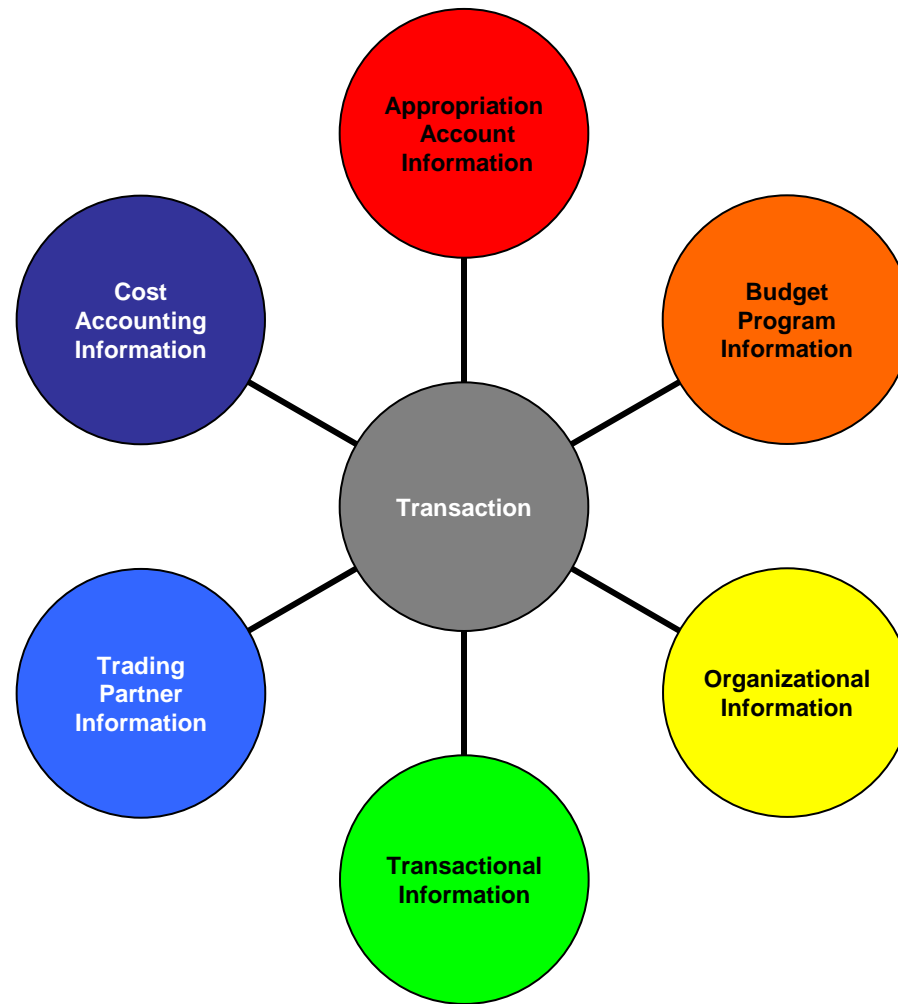
- **Standards for managerial cost accounting government-wide**

OMB, Office of Federal Financial Management (OFFM)

- **Within each department or agency, the accounting classification elements and definitions must be standardized to ensure uniform and efficient accounting treatment, classification, and reporting**

Approximately 75% of the Phase I SFIS data elements are mandated by existing external requirements (Treasury and OMB). These are not new requirements.

# SFIS Components





## Components of SFIS

**Appropriation Account Information** - Provides the fund structure that identifies the Treasury Appropriation Symbol/Treasury Appropriation Fund Symbol (TAS/TAFS) established by OMB and Treasury.

**Budget Program Information** - Provides the program structure and the object class structure with sufficient levels of detail to allow reporting for categories on which budget decisions are made.

**Organizational Information** - Establishes the organizational structure that identifies relationships between DoD organizations that share a common command and control structure.

**Transactional Information** - Satisfies the USSGL posting and reporting requirements by OMB and Treasury.

**Trading Partner Information** - Provides trading partner information to satisfy trading partner information exchange and intra-governmental elimination reporting requirements.

**Performance-Cost Accounting Information** – Enables performance-based management and addresses external requirements of GPRA/FASAB/OMB and CFO Act.





# *SFIS Phase I – Data Elements*

Appropriation Account Information	Transactional Information	Trading Partner Information
Department Regular	Transaction Type	Federal/Non-Federal Indicator
Department Transfer	USSGL Account Number	Trading Partner Indicator
Main Account	Debit/Credit	Business Partner Number
Sub Account	Begin/End Indicator	
Apportionment Category	Transaction Effective Date	Budget Program Information
Receipt Indicator	Transaction Post Date	Budget Function/Sub-Function
Sub Classification	Transaction Amount	Budget Activity
Period of Availability	Allocation Unique Identifier	Budget Sub-Activity
Reimbursable Flag	Exchange/Non-Exchange Indicator	Budget Line Item
Fund Type	Custodial/Non-Custodial Indicator	Major Acquisition
Advance Flag	Foreign Currency Code	Object Class
Authority Type	Country Code	Contingency Code
Availability Time	Entity/Non-Entity Indicator	BEA Category Indicator
Borrowing Source	Covered/Un-Covered Indicator	
Definite Indefinite Flag	Current/Non-Current	Cost Accounting Information
Public Law Number	Demand Unique Identifier	Transaction Quantity
Program Report Code	Expense Type	Asset Type
TAFS Status	Revenue Type	Asset Unique ID
Year of Budget Authority	Liability Type	
Direct Transfer Agency		
Direct Transfer Account	Organizational Information	
Transfer To From	Organization Unique Identifier	
Deficiency Flag	Agency Disbursing Identifier	
Availability Type	Agency Accounting Identifier	
Expiration Flag		
Financing Account Indicator		

See [http://www.defenselink.mil/bmmp/sfis\\_resources.html](http://www.defenselink.mil/bmmp/sfis_resources.html) for definitions of all elements.



# ***SFIS Phase II Long Term Goals***

**Define a DoD Accountability Framework that:**

- **Support CFO Act requirements applicable to *DOD*'s Statement of Net Cost**
- **Addresses DoD performance/cost measurement and management requirements of GPRA/FASAB/OMB**
- **Enables Performance Based Management practices, processes**
- **Provides ability to aggregate costs in a meaningful way**
- **Helps answer these questions:**
  - **What do we need to communicate meaningful information externally?**
  - **What do we need to tie our operations' results to higher level objectives, strategic goals and other performance objectives?**
  - **What does SECDEF care to measure across the Department?**
  - **What does the "to be" Corporate Framework architecture look like?**



## ***SFIS Phase II Short Term Goals***

- **Top-Down Approach Starting with a Framework for a DoD Consolidated Statement of Net Cost (SoNC)**
- **Start with authoritative requirements-OMB (GPRA, FEA, PART), Treasury, FASAB, CFO Act, and needs of upper level management.**
- **Define DOD Responsibility Segments/Reporting Entities**
- **Identify, define major corporate Lines of Business**
- **Define interim implementation approach for target systems**
- **Provide update to DoD FMR and other policy guidance**



## *Current Status*

### **What's been done?**

- **Phase 1 element definition 3Q05**
- **USD(C) Memo that provides three SFIS implementation approaches 4Q05**
- **Integrated in BEA 3.1 4Q05**
- **Weekly calls with all Target Accounting systems**
- **SFIS forums and workshops 1Q06**
- **USSGL Transaction Library**
- **SFIS Checklist and Test Scenarios**
- **Phase II Draft Framework for Statement of Net Cost**
  - **Lines of business/Capabilities**
  - **Responsibility segments**
  - **Program**



## ***Next Steps***

### **Next 6-9 months**

- **Coordinate phase II requirements with stakeholders - 3Q06**
- **Update Matrix, Conops, and BEA - 3Q06**
- **Define enterprise rules for remaining cost elements - 4Q06**
- **Ongoing SFIS implementation support with Legacy, Feeder, and Target Accounting Systems**
- **Work with OMB FM LOB – Common Government-wide Accounting Code.**

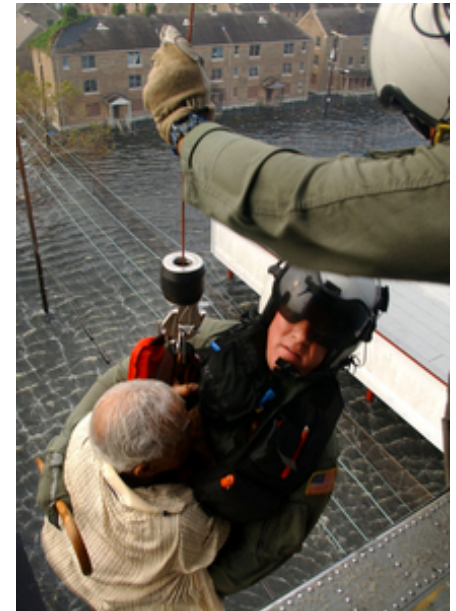


# Scenario: Hurricane Relief



## Representative Management Questions

- Appropriations vs. Obligations vs. Expenditures
- How much has each Component spent on Hurricane Relief?
- How much has been spent in each location?
- What are the top 10 things we've spent funds on (and how much)?
- How much did we spend with each of our top 10 vendors?
- How much did we spend in the first week? First month?



### Today:

- No timely access tracking of emergency expenditures
- No alert capability
- Extensive manual research required
- Reactive vs. Proactive

### SFIS Phase I:

- Department Regular: 21 Army
- Budget Activity: Mobilization
- Budget Sub Activity: Mobility Operations
- Budget Line Item: Airlift Operations
- Contingency Code: Hurricane Relief – Katrina (or Rita or All Hurricane Ops)
- Object Class: 220 Transportation of Things
- Trading Partner: (ID by Vendor)

### SFIS Phase II:

- Object Sub Class: 221 Transportation of Relief Supplies – Water
  - Other examples include food, bedding, medical supplies, etc.
- Work Center (Temporary): Location Name (city, state, etc.)



# Websites

[www.dod.mil/bta](http://www.dod.mil/bta)

Information on the BTA and current news.



[www.dod.mil/dbt](http://www.dod.mil/dbt)

Information and updates on all Defense Business Transformation efforts.

